

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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AMERICAN GENERAL LIFE INSURANCE
COMPANY,

Case No. 07-CV-3136 (GEL) (RLE)

Plaintiff,

v.

**HSBC BANK USA, N.A.'S
ANSWER**

THE COSTANTINO PRESTA IRREVOCABLE
TRUST; MARK SEELING, EURGENIO
PRESTA, NICOLA PRESTA, AS TRUSTEES OF
THE COSTANTINO PRESTA IRREVOCABLE
TRUST; and HSBC BANK USA, NATIONAL
ASSOCIATION,

Defendants.

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Defendant HSBC Bank USA, National Association, by its counsel,

Meredith Friedman, hereby answers the Complaint dated April 18, 2007 (“Complaint”),
as follows:

1. HSBC denies knowledge or information sufficient to form a belief
as to the truth of the allegations contained in paragraph “1” of the Complaint.
2. HSBC denies knowledge or information sufficient to form a belief
as to the truth of the allegations contained in paragraph “2” of the Complaint.
3. HSBC denies knowledge or information sufficient to form a belief
as to the truth of the allegations contained in paragraph “3” of the Complaint.
4. HSBC denies knowledge or information sufficient to form a belief
as to the truth of the allegations contained in paragraph “4” of the Complaint.
5. HSBC denies knowledge or information sufficient to form a belief
as to the truth of the allegations contained in paragraph “5” of the Complaint.

6. HSBC denies the truth of the allegations contained in paragraph “6” of the Complaint, except admits that HSBC is a national banking association organized and existing pursuant to the laws of the United States of America which has a principal place of business in Delaware.

7. To the extent that the allegations contained in paragraph “7” of the Complaint contain legal conclusions, HSBC submits that no response is required, and directs all such conclusions to the Court’s attention

8. To the extent that the allegations contained in paragraph “8” of the Complaint contain legal conclusions, HSBC submits that no response is required, and directs all such conclusions to the Court’s attention.

9. To the extent that the allegations contained in paragraph “9” of the Complaint contain legal conclusions, HSBC submits that no response is required, and directs all such conclusions to the Court’s attention.

10. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “10” of the Complaint.

11. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “11” of the Complaint.

12. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “12” of the Complaint.

13. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “13” of the Complaint.

14. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “14” of the Complaint.

15. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “15” of the Complaint.

16. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “16” of the Complaint.

17. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “17” of the Complaint.

18. HSBC denies the truth of the allegations contained in paragraph “18” of the Complaint, except admits that it entered into an Assignment of Life Insurance Policy as Collateral on or about March 6, 2006, and directs the Court’s attention to the document.

19. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “19” of the Complaint.

20. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “20” of the Complaint.

21. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “21” of the Complaint.

22. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “22” of the Complaint.

23. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “23” of the Complaint.

24. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “24” of the Complaint.

25. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “25” of the Complaint.

26. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “26” of the Complaint.

27. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “27” of the Complaint.

COUNT I
DECLARATORY JUDGMENT

28. In response to paragraph “28” of the Complaint, HSBC repeats, realleges and reiterates all of the denials and recitals set forth above as if fully set forth herein.

29. HSBC denies the truth of the allegations contained in paragraph “29” as alleged against it, and denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in paragraph “29” of the Complaint as to the remaining co-defendants.

30. To the extent that the allegations contained in paragraph “30” of the Complaint contain legal conclusions, HSBC submits that no response is required, and directs all such conclusions to the Court’s attention.

31. To the extent that the allegations contained in paragraph “31” of the Complaint contain legal conclusions, HSBC submits that no response is required, and directs all such conclusions to the Court’s attention.

COUNT II
INTERPLEADER

32. In response to paragraph “32” of the Complaint, HSBC repeats, realleges and reiterates all of the denials and recitals set forth above as if fully set forth herein.

33. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “33” of the Complaint.

34. To the extent that the allegations contained in paragraph “32” of the Complaint contain legal conclusions, HSBC submits that no response is required, and directs all such conclusions to the Court’s attention. HSBC denies knowledge or information to form a belief as to the truth of the remaining allegations contained in paragraph “32” of the Complaint.

35. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “35” of the Complaint.

36. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “36” of the Complaint.

37. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “37” of the Complaint.

38. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “38” of the Complaint.

39. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “39” of the Complaint.

40. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “40” of the Complaint.

41. HSBC denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph "41" of the Complaint.

JURY DEMAND

42. HSBC submits that no response is required to paragraph "42" of the Complaint.

**AS AND FOR A
FIRST AFFIRMATIVE DEFENSE**

43. A defense is founded upon documentary evidence.

**AS AND FOR A
SECOND AFFIRMATIVE DEFENSE**

44. HSBC, its officers, directors, agents, servants, employees, at all times mentioned in the Complaint, acted without malice, without intent to cause harm or injury, in good faith and without such conduct having exceeded that which was required under the circumstances.

**AS AND FOR A
THIRD AFFIRMATIVE DEFENSE**

45. Plaintiff's damages were caused by its own failure to conduct due diligence.

**AS AND FOR A
FOURTH AFFIRMATIVE DEFENSE**

46. The Complaint fails to allege a cause of action upon which plaintiff may recover against HSBC.

**AS AND FOR A
FIFTH AFFIRMATIVE DEFENSE**

47. Plaintiff's claims are barred by waiver and/or estoppel.

WHEREFORE, HSBC demands judgment dismissing the Complaint, in its entirety, as well as such other and further relief as the Court deems just and proper under the circumstances.

Dated: New York, New York
June 25, 2007

HSBC Bank USA, National Association

By: /s/ Meredith L. Friedman
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